



**INSTRUCTIONS FOR APPLICATION FOR
REAL PROPERTY TAX EXEMPTION FOR
REAL PROPERTY IN AN EMPIRE ZONE
(Real Property Tax Law, Section 485-e)**

1. Authorization for exemption

Section 485-e of the Real Property Tax Law authorizes an exemption from real property taxation for real property constructed, altered, installed or improved in an Empire Zone (formerly known as Economic Development Zone) designated pursuant to Article 18-B of the General Municipal Law. In order for the property to be eligible for the exemption, the county, city, town, village or school district containing the Empire Zone must have adopted a local law, ordinance or resolution authorizing the exemption for property in the Zone. In addition, the construction, alteration, installation or improvement must have commenced on or after the date the Empire Zone was designated. Further, the notice of the designation of the Zone must have been filed with the clerk of the assessing unit by the Commissioner of Economic Development on or before the applicable "taxable status date" (see item 5 below) and the Zone designation must still be in effect (i.e., it has not expired or been terminated) on or before that taxable status date. Finally, the property must not be receiving or have received any other exemption authorized by the Real Property Tax Law with respect to the same improvements unless, during the period of the prior exemption, payments in lieu of taxes were made in amounts that were at least equal to the taxes that would have been paid had the property been receiving the 485-e exemption. Construction, alteration, installations and improvements that satisfy those requirements will be eligible for the exemption without regard to the purpose for which they are used. However, ordinary maintenance and repairs are not included.

2. Application for exemption

In order for the exemption to apply to the taxes of a municipal corporation (a county, city, town, village or school district), the governing board of that municipal corporation must adopt a local law, ordinance or resolution providing for the exemption. Such a local law, ordinance or resolution may only be adopted after a public hearing on the issue has been held. Each municipal corporation acts independently. For example, the exemption will not apply to school taxes unless the school district governing body has duly adopted the exemption, even if the county and city or town have adopted the exemption.

3. Duration and Computation of Exemption

A municipal corporation which chooses to offer the exemption has the additional option of setting the term of the exemption at ten years. Where this option has been exercised, the amount of the exemption is 100 percent of the "base amount" (see below) in the first seven years of the exemption, 75 percent of the amount in the eighth year, 50 percent in the ninth year, and 25 percent in the tenth year.

Where the exemption has been adopted and the municipal corporation has not opted to establish a fixed ten-year term, the exemption will only apply until the end year of the Zone's life. Since a Zone's life generally ends ten years after the designation was made, this means that property constructed after the first year of the Zone's life will be exempt for less than ten years. (For example, property constructed in the second year of the Zone's life would be exempt for only nine years, property constructed in the third year would be exempt for only eight years, and so on.) The amount of the exemption in this case will be 100 of the "base amount" (see below) from whenever the exemption begins until the seventh year of the Zone's life. In the eighth, ninth and tenth year of the Zone's life, the amount of the exemption for all parcels receiving the exemption will be 75 percent, 50 percent, and 25 percent of the base amount, respectively.

The "base amount" of the exemption is the increase in assessed value attributable to the improvements determined in the first year the exemption is granted. Although the percentage of the exemption declines in the last three years of the term of the exemption, the "base amount" to which that percentage is applied remains constant during the term of the exemption unless there is additional construction or a change in level of assessment of 15% or more, in which case the exemption must be recomputed.

4. Filing of application

Questions 1 through 5 on the RP-485-e must be answered by the applicant. With respect to question 3, "Parcel identification no.", enter either the section, block and lot number or tax map number appearing on the assessment roll. The other questions are self explanatory.

Application for exemption from county, city, town and school district taxes must be filed with the city or town assessor. Applications for exemption from village taxes should be filed with the assessor who prepares the assessment roll used in levying village taxes. In Nassau County, applications for exemption from county, town or school taxes should be filed with the Nassau County Board of Assessors. In Tompkins County, application for exemption from county, city, town, village or school district taxes should be filed with the Tompkins County Division of Assessment.

5. Time of filing application

The application must be filed in the assessor's office on or before the appropriate taxable status date and within one year from the date of completion of the construction, alteration, installation or improvement. In towns preparing their assessment rolls in accordance with the schedule provided in the Real Property Tax Law, the taxable status date is March 1. In towns in Nassau County, the taxable status date is January 2. In towns in Erie County, the taxable status date is May 1. In towns in Westchester County, the taxable status date is June 1. In villages and cities, the taxable status dates vary, and the appropriate assessor should be consulted for the correct date. It is not necessary to reapply for the exemption after the initial year in order for the exemption to continue.